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COMMITTEES:

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Mr. Joe Lev

Dear Mr. Lev:

Thank you for contacting me to express your concerns about the proposed increase in fees for Internet radio broadcasters. I appreciate hearing from you and welcome the opportunity to respond.

As you may be aware, in 2004, Congress created the Copyright Royalty Board (CRB), a three-judge panel under the auspices of the Library of Congress. Among the duties expressly conferred upon the Copyright Royalty Judges is the authority:

- ▶ to make determinations concerning reasonable terms and royalty rates for specified statutory licenses according to delineated standards;
- ▶ to authorize distribution of specified royalty fees and adhere to specified procedures where appropriate distribution is in controversy;
- ▶ to accept or reject royalty claims and rate adjustment petitions;
- ▶ to arbitrate disputes over whether manufacturers, importers, and distributors are required to pay royalties under the Audio Home Recording Act, 17 U.S.C. § § 1001- 1010;
- ▶ to incorporate, or, where appropriate, decline to incorporate negotiated agreements as the basis for statutory terms and rates and distribution of royalty payments; and
- ▶ to make necessary procedural and evidentiary rulings.

It is my understanding that the CRB recently increased the royalties paid to musicians and record labels for streaming digital songs online. This decision ended a discounted fee for small Internet broadcasters. As a result, broadcast radio stations that also stream their programs online may have to scale back on Webcasting, and operators of Internet-only radio stations are concerned that these new fees would probably force them to go silent. You may be interested to learn that judges of the CRB have announced that they have agreed to hear certain arguments

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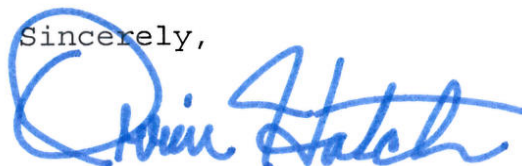
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from groups seeking a rehearing on proposed royalty rate increases. Those groups include Webcasters and other groups representing the interests of Internet radio operators.

Please know that I will keep this important issue in mind as I discuss this issue with my colleagues.

Again, thanks for writing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Orrin Hatch", written over a circular blue stamp or mark.

Orrin G. Hatch
United States Senator

OGH:mrr